

AMENDED IN SENATE APRIL 13, 2009

SENATE BILL

No. 662

Introduced by Senator Yee

February 27, 2009

An act to amend Sections 19440 and ~~19604~~ *19616.51* of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 662, as amended, Yee. Horse racing: ~~board powers: advance deposit wagering~~ *parimutuel wagering: real time monitoring*.

Existing law provides that the California Horse Racing Board shall have all necessary powers to carry out the purposes of the Horse Racing Law and specifies certain responsibilities of the board.

This bill would include, within those responsibilities of the board, providing real time transactional monitoring of all parimutuel wagering on California horse races and maintaining independent technology services for specified purposes.

~~Existing law authorizes advance deposit wagering to be conducted, upon the approval of the board. Existing law provides for various deductions and distributions by advance deposit wagering providers from advance deposit wagers, as provided.~~

~~This bill would require every advance deposit wagering provider to deduct the sum of 0.33 of 1% from all of the amount handled on advance deposit wagers and to deposit that sum with the board for the purpose of a parimutuel wagering monitoring system, as defined, and the regulation of horse racing.~~

~~Existing law, effective July 1, 2009, provides that, notwithstanding any other provision of law and in lieu of any license fee payable to the~~

state prescribed for or referred to in specified provisions of the Horse Racing Law, any association or fair that conducts a racing meeting shall pay a license fee to fund the California Horse Racing Board and the equine drug testing program in accordance with a formula devised by the board in consultation with the industry, as provided.

This bill would also require any association or fair that conducts a racing meeting to pay a license fee to the state to fund real time transactional monitoring of all parimutuel wagering on California horse races, as specified.

Under existing law, funds deposited in the Fair and Exposition Fund are continuously appropriated for various regulatory and general governmental purposes. Because this revenue ~~from advance deposit wagering~~ from license fees would be deposited into the continuously appropriated Fairs and Exposition Fund, the bill would make an appropriation.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19440 of the Business and Professions
- 2 Code is amended to read:
- 3 19440. (a) The board shall have all powers necessary and
- 4 proper to enable it to carry out fully and effectually the purposes
- 5 of this chapter. Responsibilities of the board shall include, but not
- 6 be limited to, all of the following:
- 7 (1) Adopting rules and regulations for the protection of the
- 8 public and the control of horse racing and parimutuel wagering.
- 9 (2) Administration and enforcement of all laws, rules, and
- 10 regulations affecting horse racing and parimutuel wagering.
- 11 (3) Adjudication of controversies arising from the enforcement
- 12 of those laws and regulations dealing with horse racing and
- 13 parimutuel wagering.
- 14 (4) Licensing of each racing association and all persons, other
- 15 than the public at large, who participate in a horse racing meeting
- 16 with parimutuel wagering.
- 17 (5) Allocation of racing dates to qualified associations in
- 18 accordance with law.
- 19 (6) Providing real time transactional monitoring of all parimutuel
- 20 wagering on California horse races.

1 (7) Maintaining independent technology services to provide for
2 capturing, saving, transmitting, receiving, and otherwise
3 disseminating technology resources, and the board may contract
4 with the Department of Technology Services or seek suitable
5 accommodations with vendors of the board's choosing for the
6 purpose of furthering the board's chosen business objectives.

7 (b) The board may delegate to stewards appointed pursuant to
8 Article 5 (commencing with Section 19510) any of its powers and
9 duties that are necessary to carry out fully and effectuate the
10 purposes of this chapter.

11 *SEC. 2. Section 19616.51 of the Business and Professions*
12 *Code, as added by Section 4 of Chapter 12 of the Statutes of 2009*
13 *of the Second Extraordinary Session, is amended to read:*

14 19616.51. (a) Notwithstanding any other provision of law,
15 and in lieu of any license fee payable to the state prescribed for or
16 referred to in Section 19491, 19491.5, 19596.3, 19601, 19601.2,
17 19602, 19603, 19604, 19605.25, 19605.35, 19605.45, 19605.6,
18 19605.7, 19605.71, 19606.5, 19606.6, 19610.8, 19611, 19612,
19 19614, 19616, 19616.1, 19616.2, or 19641, any association or fair
20 that conducts a racing meeting shall only pay a license fee to the
21 state to fund the board, *real time transactional monitoring of all*
22 *parimutuel wagering on California horse races*, and the equine
23 drug testing program as follows:

24 (1) All racing associations and fairs including all breeds of
25 racing shall participate in the funding of the board in accordance
26 with a formula devised by the board in consultation with the
27 industry.

28 (2) The baseline funding for the board, *real time transactional*
29 *monitoring of all parimutuel wagering on California horse races*,
30 and equine drug testing program in the first fiscal year after the
31 enactment of this section shall be the amount approved in the
32 2008–09 Budget Act.

33 (3) Adjustments to the funding in subsequent budget years may
34 only be made by an act of the Legislature.

35 (b) The license fee reductions resulting from subdivision (a),
36 after payments to fund the board *real time transactional monitoring*
37 *of all parimutuel wagering on California horse races*, and the
38 equine drug testing program, shall be distributed as follows:

39 (1) For thoroughbred racing only, 3 percent of the amount of
40 the reduction shall be deposited with the official registering agency

1 pursuant to subdivision (a) of Section 19617.2, and shall thereafter
2 be distributed in accordance with subdivisions (b), (c), and (d) of
3 Section 19617.2. The remaining amount shall be distributed to the
4 association that conducts the racing meeting and to horsemen
5 participating in that racing meeting as follows:

6 (A) Fifty percent to the association as commissions.

7 (B) Fifty percent to the horsemen as purses.

8 (2) For quarter horse racing, 2.5 percent of the amount of the
9 reduction shall be deposited with the official registering agency
10 pursuant to subdivision (b) of Section 19617.7, and shall thereafter
11 be distributed in accordance with subdivisions (c), (d), (e), and (f)
12 of Section 19617.7, the remaining amount shall be distributed to
13 the association that conducts the racing meeting and to horsemen
14 participating in that racing meeting as follows:

15 (A) Fifty percent to the association as commissions.

16 (B) Fifty percent to the horsemen as purses.

17 (3) For harness racing, 6 percent of the amount of the reduction
18 shall be distributed as specified in Section 19617.6, the remaining
19 amount shall be distributed to the association that conducts the
20 racing meeting and to horsemen participating in that racing meeting
21 as follows:

22 (A) Fifty percent to the association as commissions.

23 (B) Fifty percent to the horsemen as purses.

24 (4) For all other breeds, the remaining amount shall be
25 distributed to the association that conducts the racing meeting and
26 to horsemen participating in that racing meeting as follows:

27 (A) Fifty percent to the association as commissions.

28 (B) Fifty percent to the horsemen as purses.

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31 **All matter omitted in this version of the bill**
32 **appears in the bill as introduced in the**
33 **Senate, February 27, 2009 (JR11)**
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